



U.S. Small Business
Administration



PRE-AWARD SURVEY / SF1408



Sponsoring Organization:
U S Small Business Administration (SBA)

PRESENTER:
RUFFIN CONSULTING
Walt Ruffin, CPA, CCP, CDP, MBA

Thursday, April 18, 2019
10:00am



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SYLLABUS

10:00 – 10:05 Intro – Opening Remarks

10:05 – 10:15 External Reporting Requirements

10:15 – 10:25 Internal Controls

10:25 – 10:40 Pre-Award Survey / SF1408

10:40 – 10:50 Questions and Answers



INTRODUCTION

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Learning Goal – What should trainees expect from participation?

- *An understanding of the nature and purpose of a External Reporting Requirements, including a Pre-Award Survey.*

Learning Objective – What should participants be able to do?

- *How to take the appropriate steps to properly complete a SF1408 – Pre-Award Survey.*

EXTERNAL REPORTING REQUIREMENTS

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Reasons for External Financial Statement Reporting:

1. Obtaining Job/Project Financing
 - ✦ Loans
 - ✦ Line of Credits
2. Bonding
3. Compliance with SBA Reporting Regulations
4. GAAP & DCAA Compliant
5. IRS Reporting



EXTERNAL REPORTING REQUIREMENTS

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Various Types of External Financial Reports - 8(a) Business Development Program:

1. **Compilation** – Annual Receipts of less than \$2,000,000
2. **Review** – Annual Receipts of \$2,000,000 to \$9,999,999
3. **Audit** – Annual Receipts of \$10,000,000 or more.

Note: GAAP Compliant



EXTERNAL REPORTING REQUIREMENTS

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What gives the government the right to look at a contractor's books and records?

- FAR Part 9 – Contractor Qualification - Responsibility
- FAR part 42 – Contract Administration and Audit Services



INTERNAL CONTROLS

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Internal controls are the mechanisms, rules and procedures implemented by a company to ensure the integrity of financial and accounting information, promote accountability and prevent fraud. Besides complying with laws and regulations, and preventing employees from stealing assets or committing fraud, internal controls can help improve operational efficiency by improving the accuracy and timeliness of financial reporting.



INTERNAL CONTROLS

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1. Segregation of Duties
2. Access Controls
3. Physical Audits
4. Standardized Documentation
5. Trial Balances
6. Periodic Reconciliations
7. Approval Authority



PRE-AWARD SURVEY/SF 1408

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- For contracts negotiated with government based on cost data, the contract price is dependent on the information developed from the accounting system.
 - The government takes great interest in the quality of a contractor's accounting records and methods, and devotes considerable audit attention to this subject.
 - Before awarding a contract, the government typically will conduct a survey to ascertain the adequacy of a contractor's accounting system to provide information required during contract performance.
- **SF 1408 – Blank (Exhibit)**
 - **SF 1408 – Completed (Exhibit)**



Any
questions ?



CONTACT INFORMATION

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